



POWER | PROTECT | CONNECT

# IDEAS Conference - Chicago

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August 25, 2022

# Safe Harbor Statement

The Company's consolidated operating results are affected by a wide variety of factors that could materially and adversely affect revenues and profitability, including the risk factors described in Item 1A of our 2021 Annual Report on Form 10-K. As a result of these and other factors, the Company may experience material fluctuations in future operating results on a quarterly or annual basis, which could materially and adversely affect its business, consolidated financial condition, operating results, and common stock prices. Furthermore, this document and other documents filed by the Company with the Securities and Exchange Commission ("SEC") contain certain forward-looking statements under the Private Securities Litigation Reform Act of 1995 ("Forward-Looking Statements") with respect to the business of the Company. Forward-Looking Statements are necessarily subject to risks and uncertainties, many of which are outside our control, that could cause actual results to differ materially from these statements.

Forward-Looking Statements can be identified by such words as "anticipates," "believes," "plan," "assumes," "could," "should," "estimates," "expects," "intends," "potential," "seek," "predict," "may," "will" and similar references to future periods. All statements other than statements of historical facts included in this report regarding our strategies, prospects, financial conditions, operations, costs, plans and objectives are Forward-Looking Statements. These Forward-Looking Statements are subject to certain risks and uncertainties, including those detailed in Item 1A of our 2021 Annual Report on Form 10-K, which could cause actual results to differ materially from these Forward-Looking Statements. The Company undertakes no obligation to publicly release the results of any revisions to these Forward-Looking Statements which may be necessary to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Any Forward-Looking Statement made by the Company is based only on information currently available to us and speaks only as of the date on which it is made.



# Bel at a Glance

Powering, protecting and connecting electronic circuits since 1949

**Power Solutions & Protection**  
(40% of Net Sales)

**Connectivity Solutions**  
(30% of Net Sales)

**Magnetic Solutions**  
(30% of Net Sales)

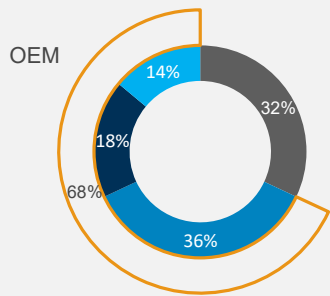


**\$601M\***  
Sales

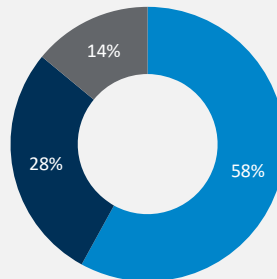
**25.7%\***  
Gross Margin

**9.8%\***  
Adj EBITDA Margin

**1,800**  
new NPI's in 2021



- Distribution
- Network & Cloud
- Industrial/EV
- Military & Aerospace



- North America
- APAC
- Europe

\* Trailing twelve months ended 6/30/22



# Bel is in a Period of Change

Appointment of Farouq as CFO (Feb 2021); first external hire onto executive team

Targeted placement of key talent – putting the right people in the right positions

ERP implementation completed mid-2021 provides new visibility of data

Appointment of Jackie Brito to Bel's Board of Directors (Oct 2021)

First ever company-wide cultural assessment (Nov 2021)

First ever multi-day off-site executive strategy session (June 2022)

Revamp of compensation structure based on performance (in progress)

**COLLECTIVE FOCUS ON MARGINS ➡ GROWTH OF HIGHER-MARGIN SALES**

# Why Bel?



Strong  
Backlog

**\$580M**  
at 6/30/22

**up 24%**  
from 12/31/21



Attractive  
End Markets

Aerospace/Defense  
Network & Cloud  
Electric Vehicles  
Medical  
Rail



Robust R&D  
Pipeline

**1,800**  
standard  
new products  
introduced in 2021



Global  
Customer Reach

**3** continents  
**15** countries  
**32** locations

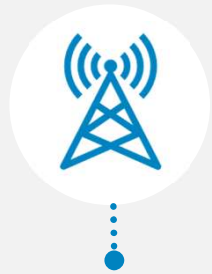
# Tailwinds from Key Sector Fundamentals



Electrification



Increased Data  
Generation



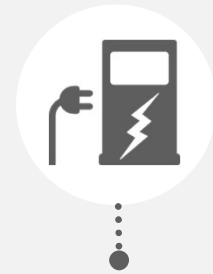
5G /  
Connectivity



Miniaturization



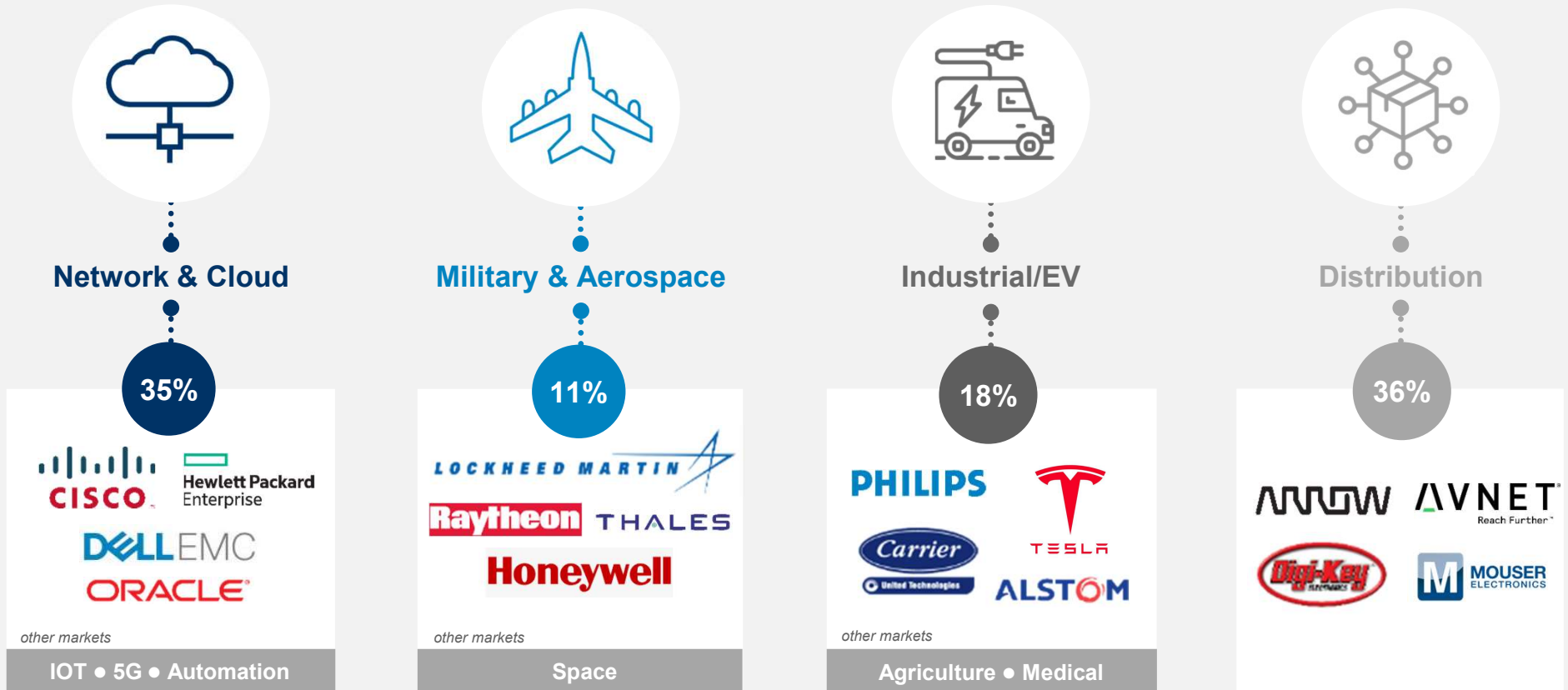
Exponential  
Technological  
Advancement



EV and  
Infrastructure

Positive end market trends position Bel for long-term success

# Diverse End Markets...



Sales by End Market based on management estimates

# ...at an Exciting Sectoral Inflection Point

	End Market	Recent Demand	Outlook	Commentary
	Distribution	↗	↗	<ul style="list-style-type: none"> <li>✓ Extends our global reach</li> <li>✓ Mix of customers early in design cycle</li> <li>✓ Broad end customer/market diversity</li> <li>✓ Expansion of private labeling business</li> </ul>
	General Industrial	→	→	<ul style="list-style-type: none"> <li>✓ Rail: long life cycle; heavily dependent on government spending</li> <li>✓ Test &amp; Measurement</li> <li>✓ Automation</li> </ul>
	Emerging/High-Growth Markets	↗	↗	<ul style="list-style-type: none"> <li>✓ EV: Market leader with over 200 NDA's signed</li> <li>✓ Space: emerging end market</li> </ul>
	Military & Aerospace	↘	↗	<ul style="list-style-type: none"> <li>✓ Military: expected upside from increased spending</li> <li>✓ Aerospace: in early innings of rebound cycle with further ramp up expected in next 12-18 months. Rms acquisition strengthens our position.</li> </ul>
	Network & Cloud	↗	↗	<ul style="list-style-type: none"> <li>✓ Significant growth in data generation, storage and transmission</li> <li>✓ Proliferation of IoT, automation and smart applications</li> </ul>



# Multi-Pronged Strategy for Sustained Growth

Where Have We Come From?

Where Are We Going?



## Quality of Revenue

- Double down on high-growth and emerging markets
- Focus on quality relationships with the right customers
- Play for favorable positioning on product designs
- Sharpen pricing strategies and practices

## Optimizing our Cost Footprint

- People and Culture as a Differentiator
- Operational and Process Improvement
- De-emphasizing some revenue/products

Bel is strategically positioned to create value through margin improvement and a focus on key markets and customers



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# Bel's Segment Overview

	Cinch Connectivity Solutions	Power Solutions & Protection	Magnetic Solutions																																													
End Markets	<ul style="list-style-type: none"> <li>Distribution</li> <li>Military</li> <li>Industrial</li> <li>Network/Cloud</li> <li>Aerospace</li> </ul>	<ul style="list-style-type: none"> <li>Distribution</li> <li>Network/Cloud</li> <li>Industrial</li> <li>Rail</li> <li>E-Mobility</li> </ul>	<ul style="list-style-type: none"> <li>Network/Cloud</li> <li>Distribution</li> <li>Industrial</li> </ul>																																													
Applications	<ul style="list-style-type: none"> <li>Military and Aerospace</li> <li>Industrial</li> <li>Data Communications</li> <li>Transportation</li> <li>Construction (premise wiring)</li> <li>Oil and gas</li> </ul>	<ul style="list-style-type: none"> <li>Networking and data storage</li> <li>Industrial</li> <li>Rail</li> <li>Lighting</li> <li>Medical</li> <li>Electric vehicles and equipment</li> <li>Consumer</li> </ul>	<ul style="list-style-type: none"> <li>Data and Telecommunications (Networking Infrastructure Switching, Servers and Storage Devices)</li> <li>Industrial</li> <li>Medical</li> <li>Alarm and Security Systems</li> <li>Lighting</li> <li>Home Networking</li> </ul>																																													
Select Products	<ul style="list-style-type: none"> <li>Harsh Environment Fiber Optics</li> <li>Connectors and Cable Assemblies – optical, fiber, circular</li> <li>Applications specific</li> </ul>	<ul style="list-style-type: none"> <li>Front-end (AC-DC) power supplies</li> <li>Board mount power (BMP)</li> <li>Industrial power products</li> <li>e-Mobility converters and inverters</li> <li>Circuit protection</li> </ul>	<ul style="list-style-type: none"> <li>Integrated Connector Modules (ICMs)</li> <li>Power Transformers</li> <li>Power Inductors</li> <li>Discrete Components</li> </ul>																																													
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# Case Study: Commercial Aerospace



**FQIS (7)**  
(used in fuel tank to monitor fuel quantity)

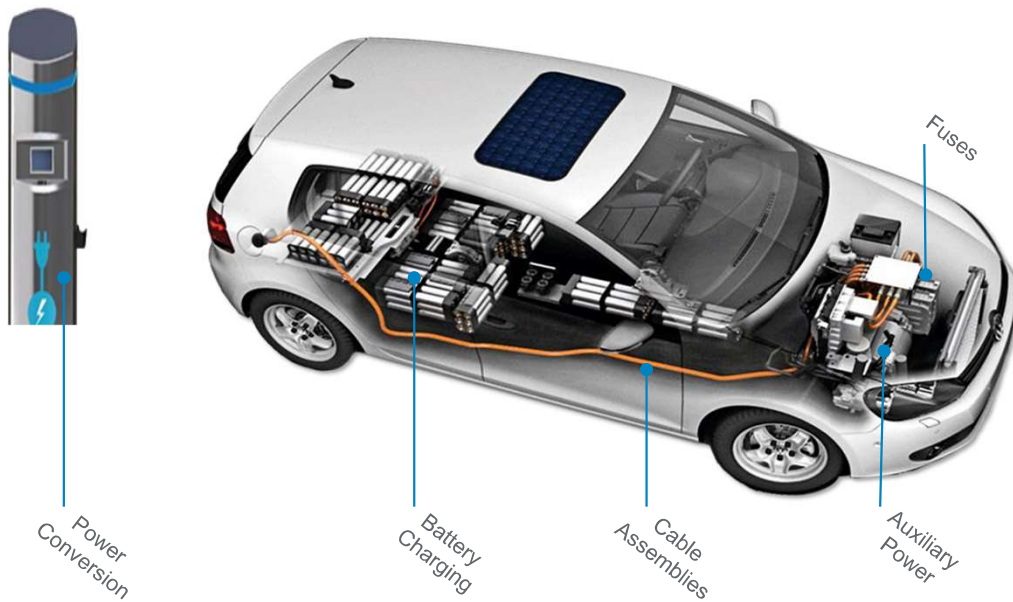


**Dura-Con (4)**  
(used in navigation controls; carries both power and signal)



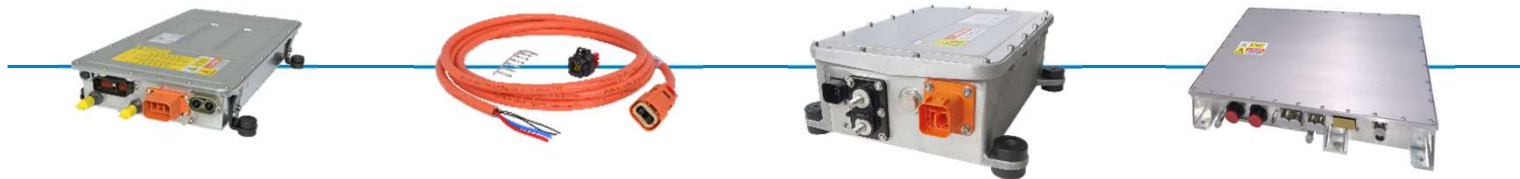
**Omega (5,500)**  
(general avionics connector for power and signal; used throughout aircraft – undercarriage deployment hydraulics, flight controls, navigation, mechanical systems and lighting)

# Case Study: eMobility



*Agriculture & Farm Equipment, Buses, Food Trucks, Hybrid & Electric Vehicles, Light Duty Commercial Vehicles, Marine & Boats, Medium & Heavy-Duty Commercial Vehicles, Off Road Vehicles, Work Trucks*

Ranges from \$1,500-\$15,000 of Installed Power per Vehicle

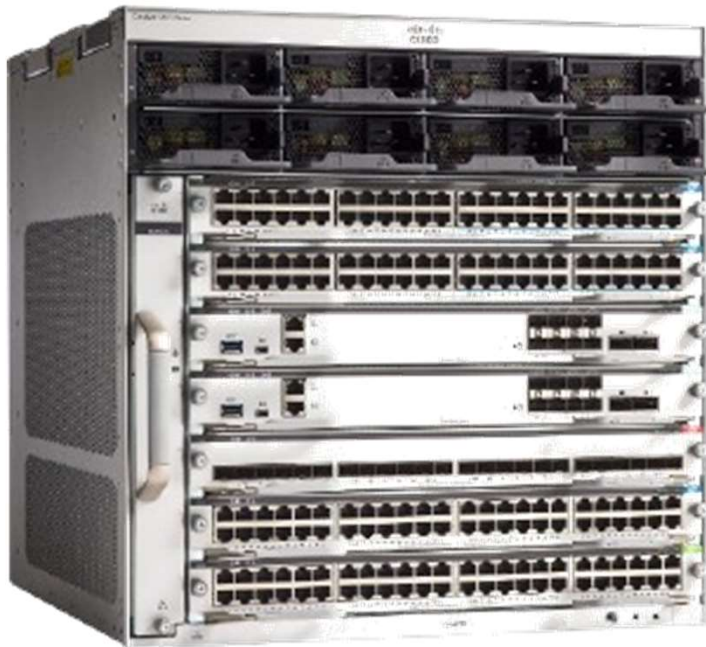


**Featured Products**



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# Case Study: Cisco 9400



*The Catalyst 9400 Series is the next generation of the industry's most widely deployed enterprise switching platform... These modular access switches are built for security, IoT, and cloud. They deliver state-of-the-art high availability, support up to 9 Tbps, provide the latest in 90-watt UPOE+, and form one of the building blocks for SD-Access, Cisco's leading enterprise architecture.*  
- Cisco website

## Internal Board level components:

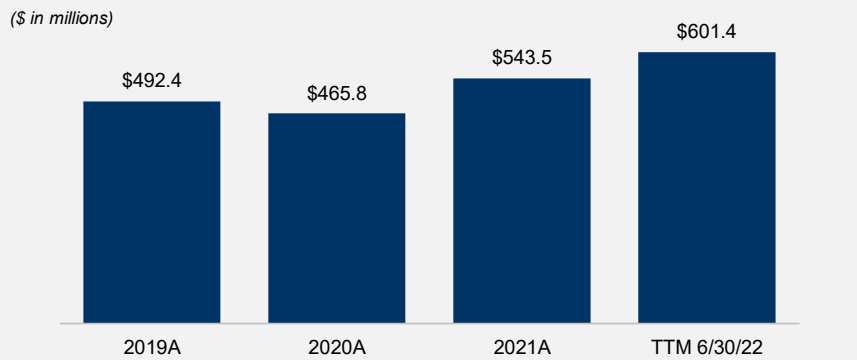
- Fuses
- DC/DC isolated board mount converters
- DC/DC point-of-load converters
- Passive jack communications ports

## Multiport ICMs

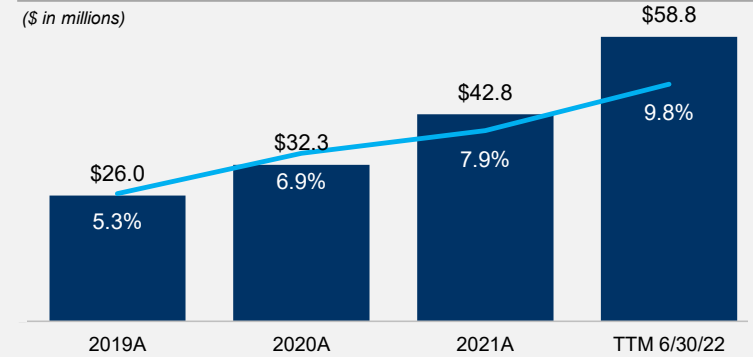
- 1G to 10G port speeds
- 15-90W PoE capability

# Historical Financial Performance

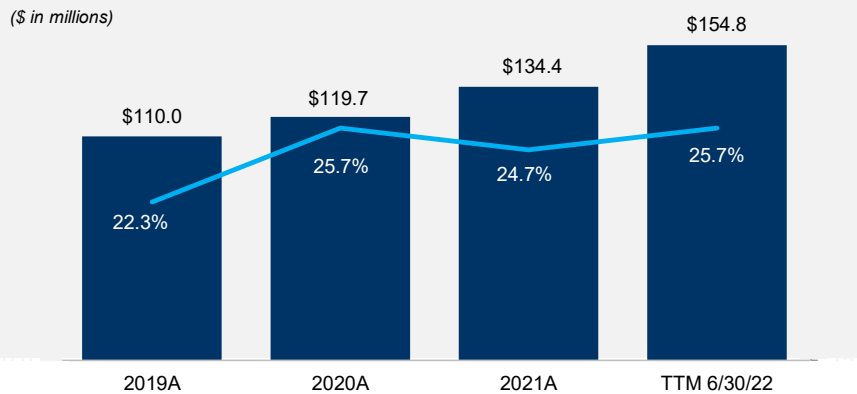
## Historical Revenue



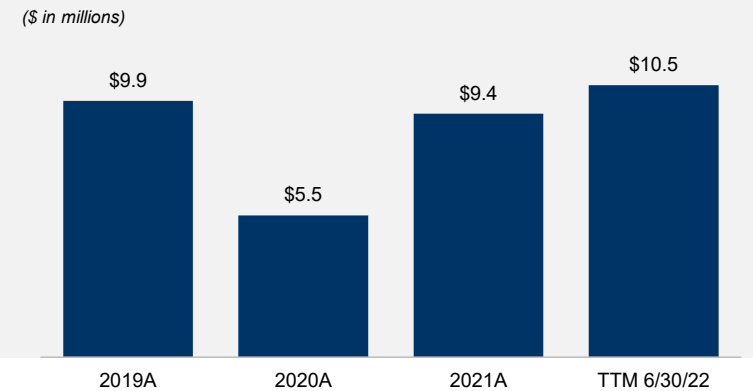
## Historical Adjusted EBITDA



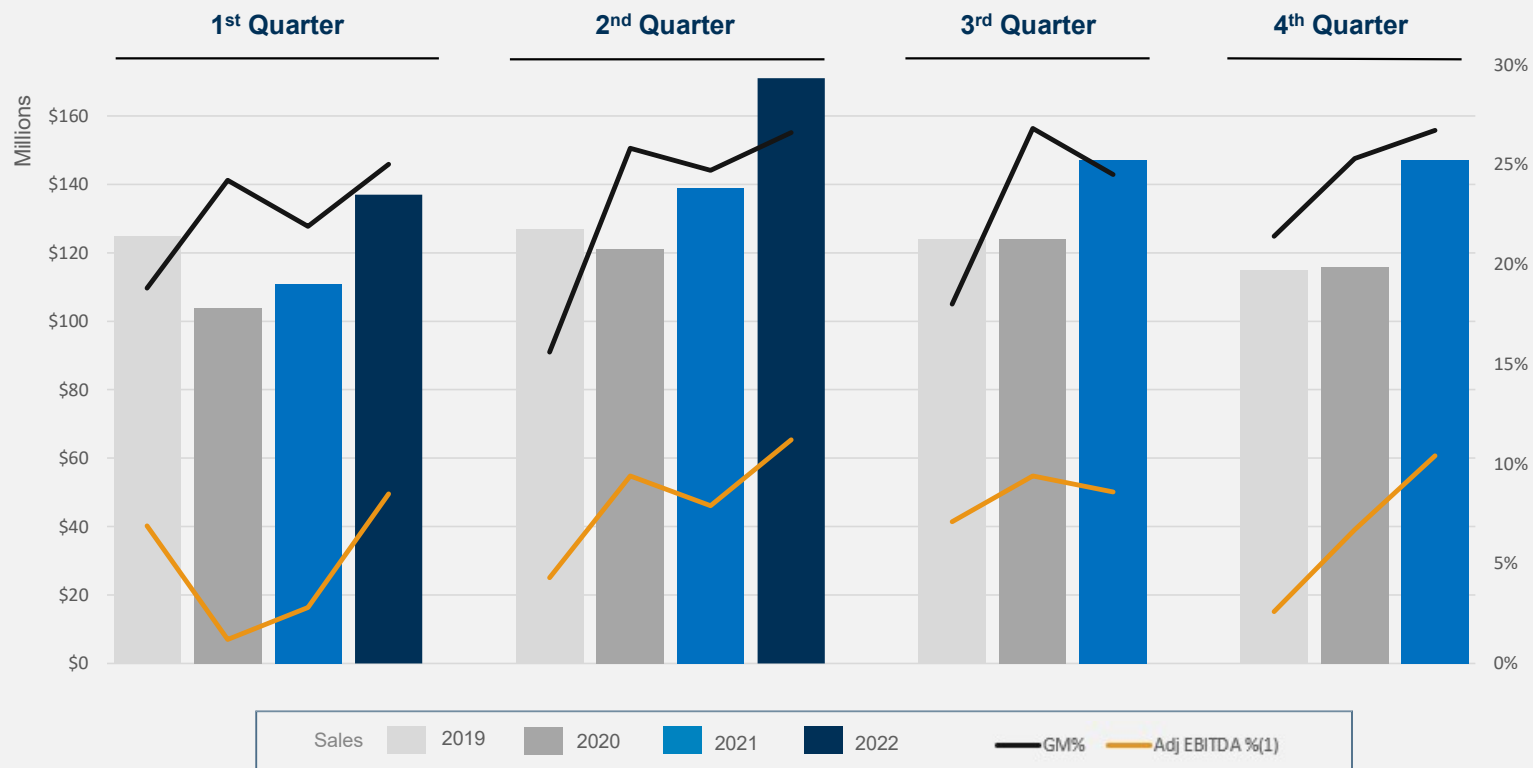
## Historical Gross Margin



## Historical Capital Expenditures



# Quarterly Trend



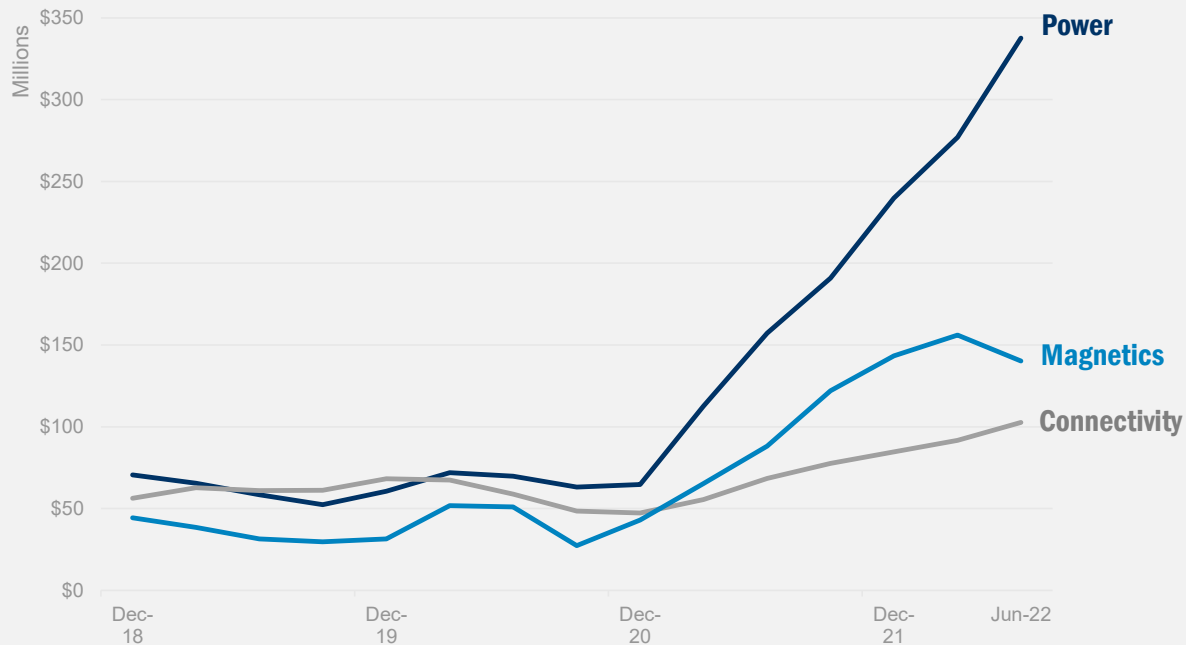
**2020**  
Margins favorably impacted by tariff refunds and Chinese subsidies (COVID)

**Q2-21 / Q3-21**  
Margin compression on higher sales as pricing does not yet reflect higher material costs.

**Q4-21 / 2022**  
Margin expansion on higher sales as new pricing starts to take effect in Q4-21

<sup>1</sup> These financial measures exclude the impact of costs associated with acquisition-related costs and gain on sale of properties.

# Backlog by Product Group



## GROWTH HIGHLIGHTS

### Power:

- EV bookings of \$50M in 2021; \$18M H1-22
- Strong performance in fuses – more than 3x backlog from Dec 2020
- Inclusion of EOS backlog of \$18M at 6/30/22 (acq Mar-21)
- Strong demand from networking customers

### Magnetics:

- Tapering off in demand from networking customers

### Connectivity:

- Partial rebound of commercial aerospace demand
- Passive connector backlog up over 5x since Dec 2020, partially due to rebound in demand from premise wiring customers





# Appendix



# Today's Presenters



**Farouq Tuweiq**  
*Chief Financial Officer*

- Mr. Tuweiq became the Company's Chief Financial Officer in January of 2021
- Previously, Mr. Tuweiq worked at BMO Capital Markets, where he led and helped build the Industrial Technology Investment Banking practice
- Mr. Tuweiq earned his BA in Finance and MS in Accounting from Michigan State and his MBA from Georgetown University



**Lynn Hutkin**  
*Director of Financial Reporting*

- Ms. Hutkin joined Bel in 2007, was promoted to Director of Financial Reporting in 2017 and was additionally appointed as the Company's Principal Accounting Officer and Secretary in 2021
- Previously, Ms. Hutkin was Director of External Financial Reporting and Human Resources for CD&L, Inc.
- Ms. Hutkin earned her BS of Accountancy from Bentley College and is an active CPA

# Cinch Connectivity Solutions

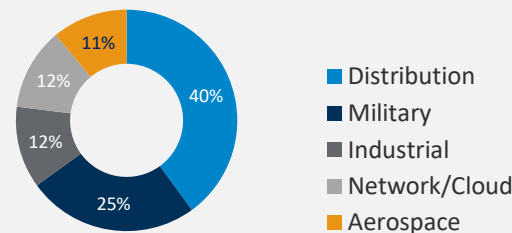
## Products

- **Harsh Environment Fiber Optics**
  - High-speed transceivers and media converters
  - Expanded beam optical connectors
- **Copper-based Connectors and Cable Assemblies:**
  - Mil-spec circular and rectangular
  - RF (radio frequency) and Ethernet connectivity

## Applications

- Military and Aerospace
- Industrial
- Data Communications
- Transportation
- Construction (premise wiring)
- Oil and Gas

## Sales by End Market<sup>1</sup>



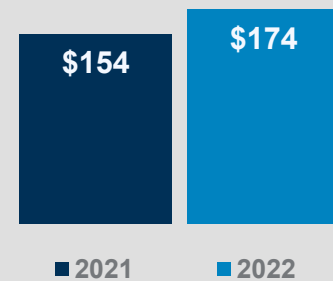
## Select Customers



## Select Competitors



## Sales<sup>2</sup>



## Backlog<sup>3</sup>



<sup>1</sup> Sales by End Market based on management estimates  
<sup>2</sup> Data for trailing twelve months ended June 30, 2022 and 2021 (\$ in millions)  
<sup>3</sup> Data as of December 31, 2021 and June 30, 2022 (\$ in millions)

# Power Solutions & Protection

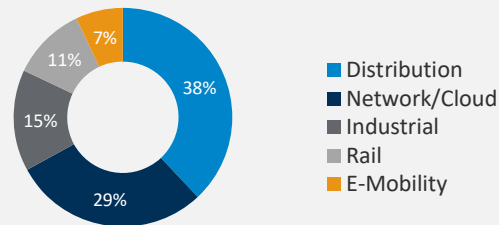
## Products

- Front-end (AC-DC) power supplies
- Board mount power (BMP)
- Industrial power products
- e-Mobility converters and inverters
- Circuit protection

## Applications

- Networking and data storage
- Industrial
- Rail
- Lighting
- Medical
- Electric vehicles and equipment
- Consumer

## Sales by End Market<sup>1</sup>



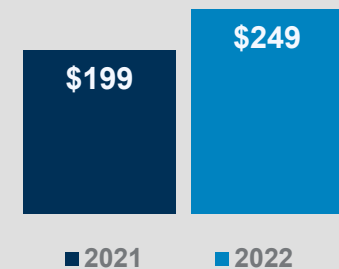
## Select Customers



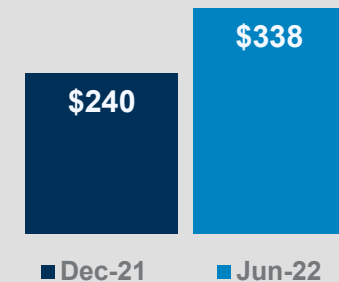
## Select Competitors



## Sales<sup>2</sup>



## Backlog<sup>3</sup>



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# Magnetic Solutions

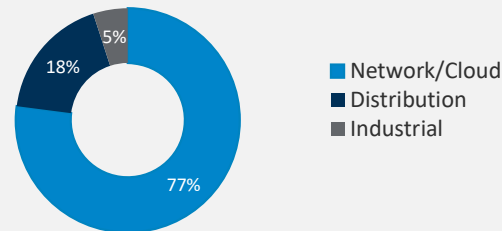
## Products

- Integrated Connector Modules (ICMs)
- Power Transformers
- Power Inductors
- Discrete Components

## Applications

- Data and Telecommunications  
(Networking Infrastructure Switching, Servers and Storage Devices)
- Industrial
- Medical
- Alarm and Security Systems
- Lighting
- Home Networking

## Sales by End Market<sup>1</sup>



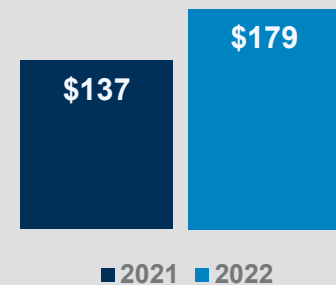
## Select Customers



## Select Competitors



## Sales<sup>2</sup>



## Backlog<sup>3</sup>



<sup>1</sup> Sales by End Market based on management estimates

<sup>2</sup> Data for trailing twelve months ended June 30, 2022 and 2021 (\$ in millions)

<sup>3</sup> Data as of December 31, 2021 and June 30, 2022 (\$ in millions)

# Share Information

## Key Statistics (as of 8/16/22)

Stock Price	BELFA: \$31.08 BELFB: \$27.31
Total Shares Outstanding	12,518,000
Market Cap	\$349M
Enterprise Value	\$396M
Dividend Yield	1.0%



Outstanding shares  
**2,142,000**

**17**  
Institutions | **875,000**  
shares (41%)

Quarterly dividends  
**\$0.06** / share

**20%** held by insiders



Outstanding shares  
**10,343,000**

**90**  
Institutions | **6,350,000**  
shares (61%)

Quarterly dividends  
**\$0.07** / share

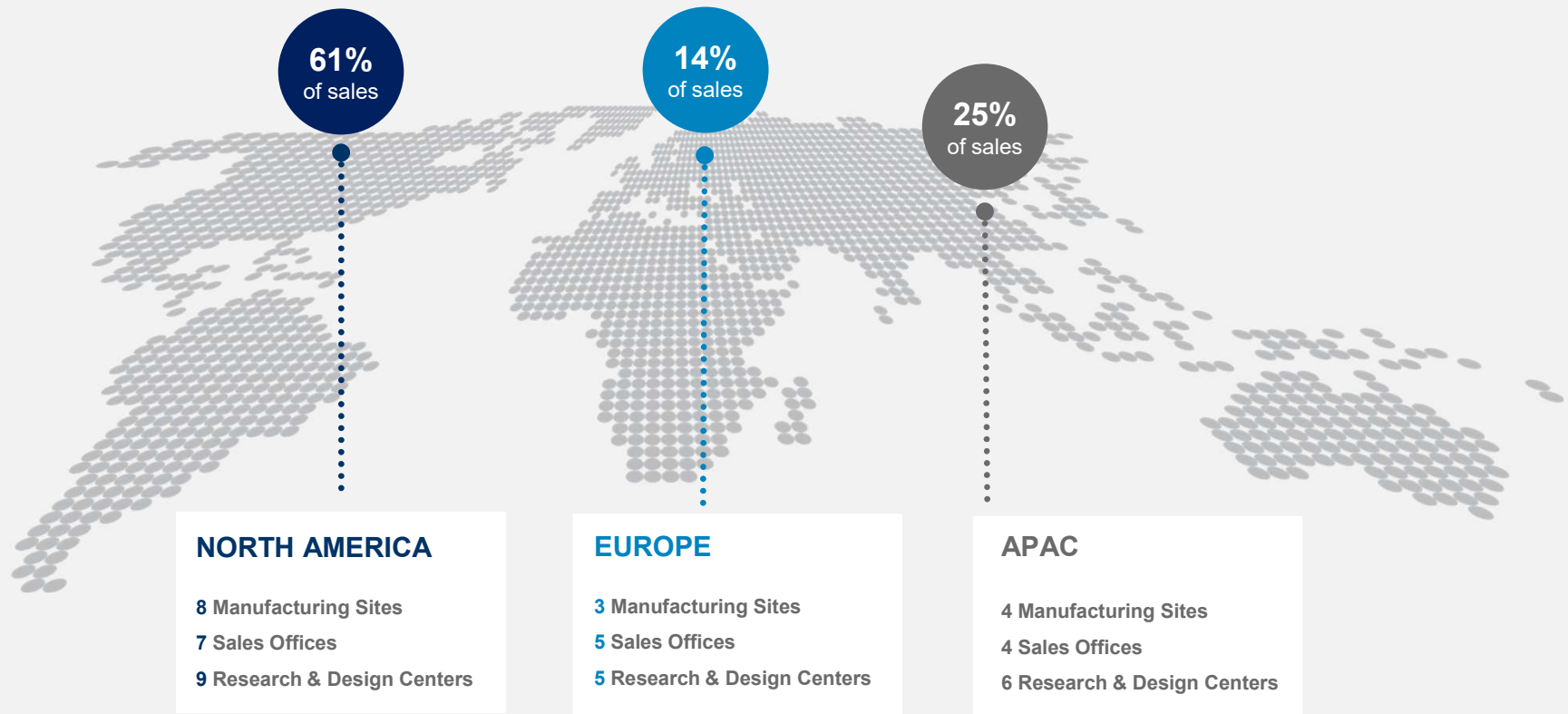
**3%** held by insiders



# Balance Sheet Highlights

<b>\$ in millions</b>	<b>June 2022</b>	<b>December 2021</b>
<b>Cash</b>	\$66	\$62
<b>Debt</b>	113	113
<b>Equity</b>	226	209
<b>Working Capital</b>	232	217
<b>Current Ratio</b>	2.8 to 1	2.9 to 1
<b>Inventory Turns (excl R&amp;D)</b>	3.1x	3.1x
<b>DSO</b>	53 days	54 days
<b>Leverage Ratio</b>	1.67x	2.11x

# Global Presence





# Product Set Overview

Power Solutions & Protection (40% of Net Sales)	Connectivity Solutions (30% of Net Sales)	Magnetic Solutions (30% of Net Sales)
<p>Front-Ends &amp; Board-Mount Power</p> 	<p>Passive Connectors</p> 	<p>Integrated Connector Modules</p> 
<p>Industrial</p> 	<p>Connectors &amp; Cable Assemblies</p> 	<p>Power Transformers</p> 
<p>External Power</p> 	<p>RF Connectors / Microwave Components</p> 	<p>Power Inductors &amp; Transformers</p> 
<p>Module &amp; Circuit Protection</p> 	<p>USB Connectors and Cable Assemblies</p> 	<p>Discrete Components</p> 

The Bel family of products has provided innovative, application specific solutions and unparalleled service to diversified markets for ~70 years, establishing Bel as a world leader in Magnetics, Power Solutions & Protection and Interconnect



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# Bel's ESG Journey: Underway



## Environmental

- Minimize our impact on the environment
- Create a more sustainable tomorrow
- Make changes big & small to reduce consumption



## Social

- Diversity and inclusion at all levels
- All perspectives, opinions are encouraged to be heard
- Giving back to our global community is a priority



## Governance

- Trust, integrity & accountability at all levels of the organization
- Continual alignment of our policies, practices and priorities to align with the best interests of our associates, shareholders, and other stakeholders

Bel is committed to creating a better tomorrow by understanding how our actions impact the world around us.

We accomplish this through tangible steps, big and small, that can be taken to invest in our communities, minimize the impact to our environment and ensure alignment of interest of all parties.

As an organization that thrives on learning and continuous improvement, Bel welcomes and embraces this journey.



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